

**Congress of the United States**  
**Washington, DC 20515**

March 28<sup>th</sup>, 2022

Chairman Richard Glick  
Federal Energy Regulatory Commission  
888 1st Street, NE  
Washington, D.C. 20426

Dear Chairman Glick,

The House Sustainable Energy and Environment Coalition (SEEC) Power Sector Task Force was created to focus on identifying additional actions needed to decarbonize the power sector. We understand that the Commission has under consideration a Notice of Inquiry (NOI) proposing to eliminate the demand response “Opt Out.” We urge the Commission to consider a Notice of Proposed Rulemaking (NOPR) that would eliminate the Opt Out.

Wholesale demand response reduces energy consumption while earning revenues for local businesses, creating a critical environmental and economic win-win. The Opt Out, however, grants states the authority to eliminate wholesale demand response by prohibiting consumers from selling their reduction in energy consumption into the wholesale electric markets. If the Opt Out were removed, consumers in the 13 states that have exercised it would be able to sell their energy reduction into the wholesale market, thereby earning revenues and reducing emissions. This would increase grid reliability by reducing transmission congestion and reliance on centralized thermal generation during times of grid stress. It would also facilitate the integration of additional renewable resources into the grid. Collectively, these changes would reduce the power sector’s carbon emissions.

The Commission has wisely decided to make all other Distributed Energy Resource (DER) types (energy efficiency, distributed generation, and energy storage) eligible to participate in all wholesale energy markets regardless of the state in which they are located. Extending that same courtesy to carbon-free demand response resources will give them the ability to compete fairly with other DERs and legacy fossil-fuel generators, to the benefit of the environment and local businesses.

States, meanwhile, retain extensive authority to regulate resources within their borders, including the ability to prescribe the terms of service for retail demand response programs. This preserves the state-federal balance of power without using blunt and overbroad prohibitions, like the current Opt Out.

Given the urgent need to economically decarbonize the power sector, there is no economic or policy ground to retain the Opt Out. We urge the Commission to proceed to consider a Notice of Proposed Rulemaking (NOPR) that would eliminate the demand response Opt Out.

We appreciate your consideration of this issue.

Sincerely,



Sean Casten  
Member of Congress



Raja Krishnamoorthi  
Member of Congress



Suzanne Bonamici  
Member of Congress



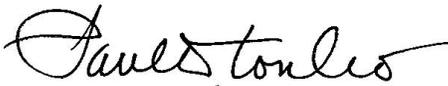
Bonnie Watson Coleman  
Member of Congress



Mike Levin  
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Darren Soto  
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Paul Tonko  
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Peter Welch  
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